UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE X WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____

DATE FILED: FEBRUARY 24, 1999

LAND: FEE & PATENTED STATE LEASE NO. ML-48232 PUBLIC LEASE NO. INDIAN

DRILLING APPROVED: APRIL 20, 1999

SPUDDED IN:

COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: LA'D 4-14-2000

FIELD: UNDESIGNATED

UNIT

COUNTY: CARBON

WELL NO. SITLA 13-22 API NO. 43-007-30554

LOCATION 1672 FSL FT. FROM (N) (S) LINE, 770 FWL FT. FROM (E) (W) LINE NE SW 1/4 — 1/4 SEC. 22

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE	SEC.	OPERATOR
				15S	9E	22	FLEET ENERGY, LLC

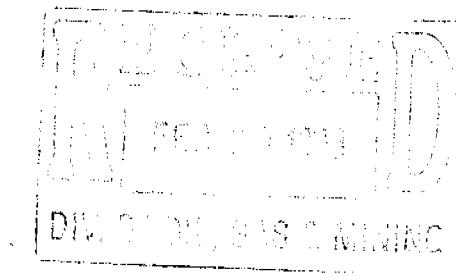

4 '99

FLEET ENERGY

Fleet Energy, L.L.C.
2450 Fondren, Suite 310
Houston, Texas 77063
Tel: 713.785.5600
Fax: 713.785.5605

February 23, 1999

Mr. Brad Hill
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801



Dear Mr. Hill:

Attached is an Application for Permit to Drill (APD) the SITLA #13-22 well in NE/4 SW/4 of section 22 of T15S-R9E in Carbon County, Utah. A Federal APD for this well was previously submitted and approved by your office on September 15, 1998 (copy attached), contingent on final approval by the BLM. This lease was subsequently included in lands covered by the Federal-State of Utah "land swap", and therefore the surface and minerals are now owned by SITLA. Because of the pending land swap, the BLM never actually approved the original APD. Therefore, Fleet Energy requests that the Division of Oil, Gas and Mining rescind its previous approval of the Federal APD and approve the attached State of Utah APD.

The well name for this APD has changed from the "Alker #1-22" to the "SITLA #13-22". Also, the lease number has changed from UTU-71390 to ML-48232.

Fleet Energy, L.L.C. hereby requests prompt approval of the attached APD. Please contact me at (713) 785-5600 ext. 104 if you have any questions regarding this APD.

Sincerely,

Mark Spears
V.P., Production and Operations

COPY

cc: D. K. Livingstone

FORM 3

STATE OF UTAH

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Designation and Serial Number: ML-48232

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Farm or Lease Name:

1A. Type of Work: DRILL [X] DEEPEN [ ]

B. Type of Well: OIL [ ] GAS [X] OTHER: SINGLE ZONE [ ] MULTIPLE ZONE [X]

2. Name of Operator: Fleet Energy, L.L.C.

9. Well Number: SITLA-13-22

3. Address and Telephone Number: 2450 Fondren, Suite 310, Houston, TX 77063 713/785-5600

10. Field and Pool, or Wildcat: Drunkards Wash Ferron Coal Seam

4. Location of Well (Footages)

At Surface: 1672' FSL 770' FWL 508042.40 4372462.00

At Proposed Producing Zone: same

11. QtrQtr, Section, Township, Range, Meridian: NE SW Sec. 22 T15S R9E S. L. Base

14. Distance in miles and direction from nearest town or post office: 13 miles southwest of Price, UT

12. County: Carbon

13. State: UT UTAH

15. Distance to nearest property or lease line (feet): 770'

16. Number of acres in lease: 980

17. Number of acres assigned to this well: 160

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): none

19. Proposed Depth: 2825'

20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 6090' GL

22. Approximate date work will start: April 15, 1999

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT wt. Yield *
11"	8 5/8" J-55	24 lb	300'	85 sx Class G cmt. 15.8 1.15
7 7/8"	5 1/2" N-80	17 lb.	2820'	275 sx "Light" cmt. 12.5 1.92
				80 sx premium cmt. 14.2 1.61

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

* per Mark Spears 4-13-99 RJF

This well is on a lease covering lands that were included in the Federal-State of Utah "Land Swap" and has now become a SITLA lease. SITLA now owns the surface and mineral interests.

This well is proposed to test the gas potential of the Ferron coal seams.

Air will be used as the circulating medium to drill this well. A 3000 psi BOP will be used while drilling this well.

Bonding of this well is provided by Fleet Energy's Bond #B 7858.

An Archaeological survey has been performed on this well location and access roads per the River Gas EIS requirements. This survey is on file at the State Historical Preservation Office, Permit No. U-98-MQ-0235b.

24.

Name & Signature: J. Mark Spears J. M. Spears Title: Vice President, Production & Operations Date: 2/18/99

(This space for State use only)

API Number Assigned: 43-007-30554

Approval:

RECEIVED

Approved by the Utah Division of Oil, Gas and Mining

Date: 4/20/99

By:

(1\93) (See Instructions on Reverse Side)

FORM 3

STATE OF UTAH

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Designation and Serial Number: ML-48232

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Farm or Lease Name:

9. Well Number: SITLA-13-22

10. Field and Pool, or Wildcat: Drunkards Wash Ferron Coal Seam

11. QtrQtr, Section, Township, Range, Meridian: NE SW Sec. 22 T15S R9E S. L. Base

1A. Type of Work: DRILL [X] DEEPEN [ ]

B. Type of Well: OIL [ ] GAS [X] OTHER: SINGLE ZONE [ ] MULTIPLE ZONE [X]

2. Name of Operator: Fleet Energy, L.L.C.

3. Address and Telephone Number: 2450 Fondren, Suite 310, Houston, TX 77063 713/785-5600

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				80 sx premium cmt.	14.2	1.61

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* per Mark Spears 4-13-99 RJK

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Air will be used as the circulating medium to drill this well. A 3000 psi BOP will be used while drilling this well.

Bonding of this well is provided by Fleet Energy's Bond #B 7858.

An Archaeological survey has been performed on this well location and access roads per the River Gas EIS requirements. This survey is on file at the State Historical Preservation Office, Permit No. U-98-MQ-0235b.

24.

Name & Signature: J. Mark Spears J. M. Spears Title: Vice President, Production & Operations Date: 2/18/99

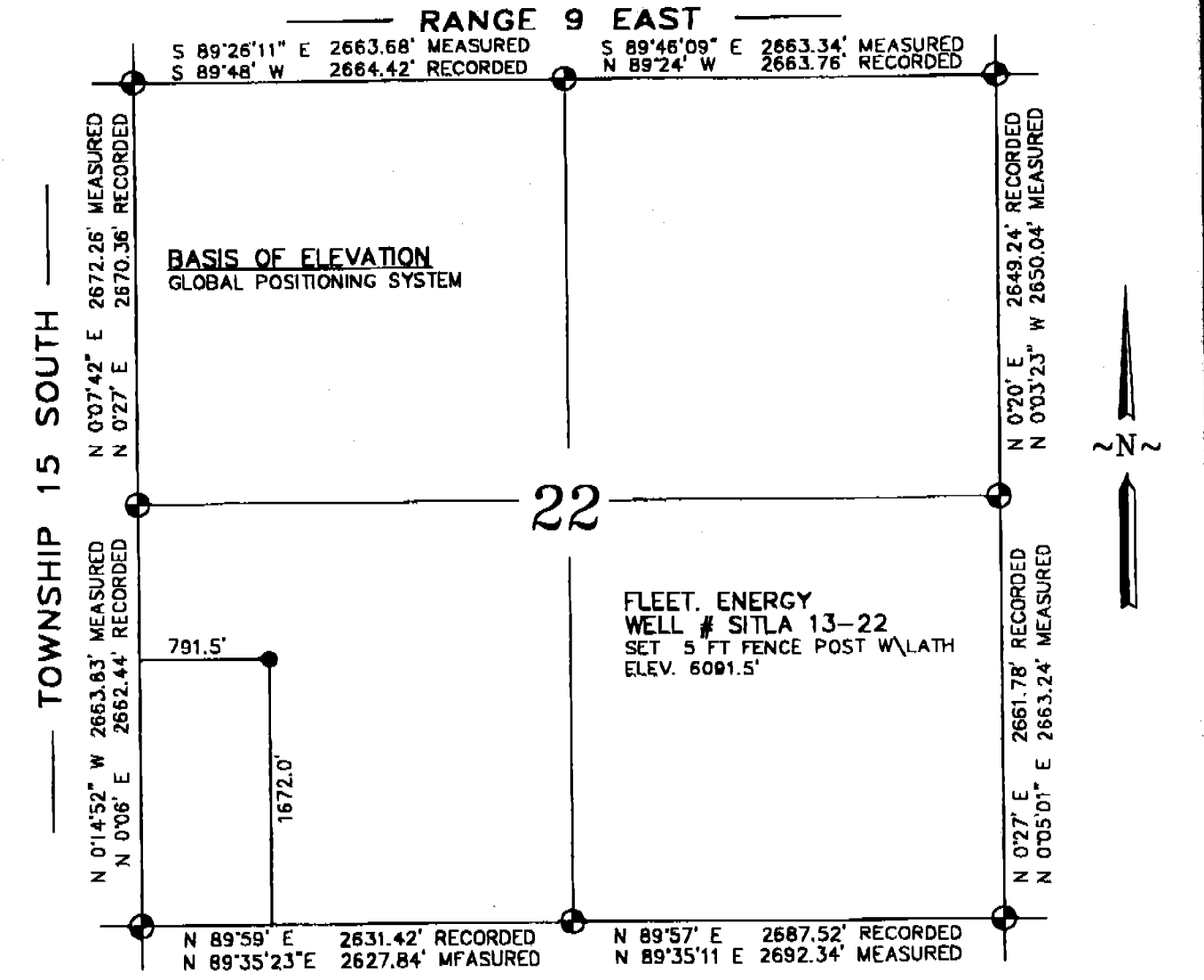
(This space for State use only)

API Number Assigned: 43-007-30554

Approval: 4/20/99

RECEIVED FEB 24 1999 DIV. OF OIL, GAS & MINING

(1193) (See Instructions on Reverse Side)



LEGEND

- FOUND BRASS CAP
- SEARCHED FOR BUT NOT FOUND
- FOUND ROCK CORNER

BASIS OF BEARING

BASIS OF BEARING IS A GLOBAL POSITIONING BEARING.

PROFESSIONAL ENGINEER & LAND SURVEYOR * UTAH * NO. 145656 EVAN E. HANSEN

ENGINEER'S CERTIFICATE

I, EVAN E. HANSEN, DO HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR AND PROFESSIONAL ENGINEER HOLDING CERTIFICATE NO. 145656 AS PRESCRIBED UNDER THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY THAT I HAVE MADE A SURVEY OF THE TRACT OF GROUND SHOWN AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

Evan E. Hansen 3/01/1999
EVAN E. HANSEN DATE

REVISED 3-01-99

NW4 SW4 SEC. 22, T 15 S, R 9 E, S.L.B.& M.

Empire Engineering
1665 E. Sagewood Rd. Price, Utah 84501

FLEET ENERGY
WELL # SITLA 13-22

Drawn By: RH	Approved By: EEH	Drawing No. EEOG-99-25
Date: 2-16-99	Scale: 1"=1000'	SHEET 1 OF 2

C:\EMPIRE\FLEET-ENERGY\ SITLA13-22-1559E.dwg 02/19/99 10:16 am

Fleet Energy, L.L.C.
SITLA 13-22 Well APD

1. The surface material at the location of this proposed well in weathered Mancos shale.

2. The estimated formation tops are as follows:

Mancos Shale	Surface
Ferron SS	2499'
Tununk Shale	2775'
T.D. of well	2825'

3. The estimated depth of important water, oil, or gas is:

Ferron SS	2499'	Gas and water; coal

There are no other water zones expected to be encountered during the drilling of this well. Any additional zones will be cemented behind pipe as the production casing string will be cemented to surface.

4. This well will be drilled with air as the circulating medium. Should any water or difficulties be encountered, then mist/foam drilling will commence with a commercial drilling foamer and 2% KCl water. A bentonite or similar mud system is not expected to be used.

5. The auxiliary equipment to be used will be that prudent for air drilling (compressors, boosters, mist pump, etc.). The blooie line will terminate approximately 100' from rig. An igniter system and a deduster will be used.

6. A relatively small blooie pit will be used to accumulate cuttings and any drilling fluids used, along with returns from cementing casing and completion operations. The size of the blooie pit will be approximately 20' X 40' and 8' deep. This pit will be closed and reclaimed after the completion of this well has been done.

7. The BOP system used will be a 3000 psi configuration, hydraulically operated with mechanical secondary closing option. A schematic diagram is attached. A Hydrill or equivalent rotating head will be used as the top piece of the BOP stack. The BOP will be nippled up on the surface casing and pressure tested before drilling out of the surface casing. All pressure testing and operational testing of the BOP equipment will be per R649-3-7 of the O&G Commission general rules.

8. The casing and hole size design for this well will be as follows:

Surface casing:

11" hole, 8 5/8" J-55, 24 lb./ft. casing set to 300'.
Cement to surface using plug. This will require approximately 85 sx of Class G cement at 30% calculated excess.

Production casing:

7 7/8" hole, 5 1/2" N-80, 17 lb./ft. casing to T.D. est. 2820'.
The production casing will be cemented to surface using a "light" cement followed by a premium cement to cover the productive interval. The plug and pump method will be used. This will require approximately 275 sx light cement followed by 80 sx premium cement at 30% excess.

9. Open hole logging is planned as follows:

   DIL-GR, Compensated Neutron/Formation Density/GR.
   Coring or DST's are not planned for this well.

10. It is not anticipated that H2S gas, abnormal pressures or temperatures will be encountered while drilling or completing this well. Bottom hole pressure gradient expected is .35 psi/ft or 980 psi for this well.

11. It is expected that operations on this well will begin ASAP after April 15, 1999. The time required to drill this well is expected to be 3 to 5 days.

12. All water needed for this well will be purchased from Castle Valley Service District in Huntington or Castle Dale, UT. Water will be hauled by local contractors.

13. All produced water from this well will be disposed of in a disposal/injection well or approved evaporation pond.

14. This well's access will utilize an existing road off the Wattis Highway for approximately 1000' in an easterly direction. A new road will need to be constructed approximately 450' south to the location. This new road will not require any cuts, fills, or culverts. The area is fairly flat and will only require light grading. The new road will not be wider than 16' and no turnarounds are planned. A map is attached showing the well location and road.

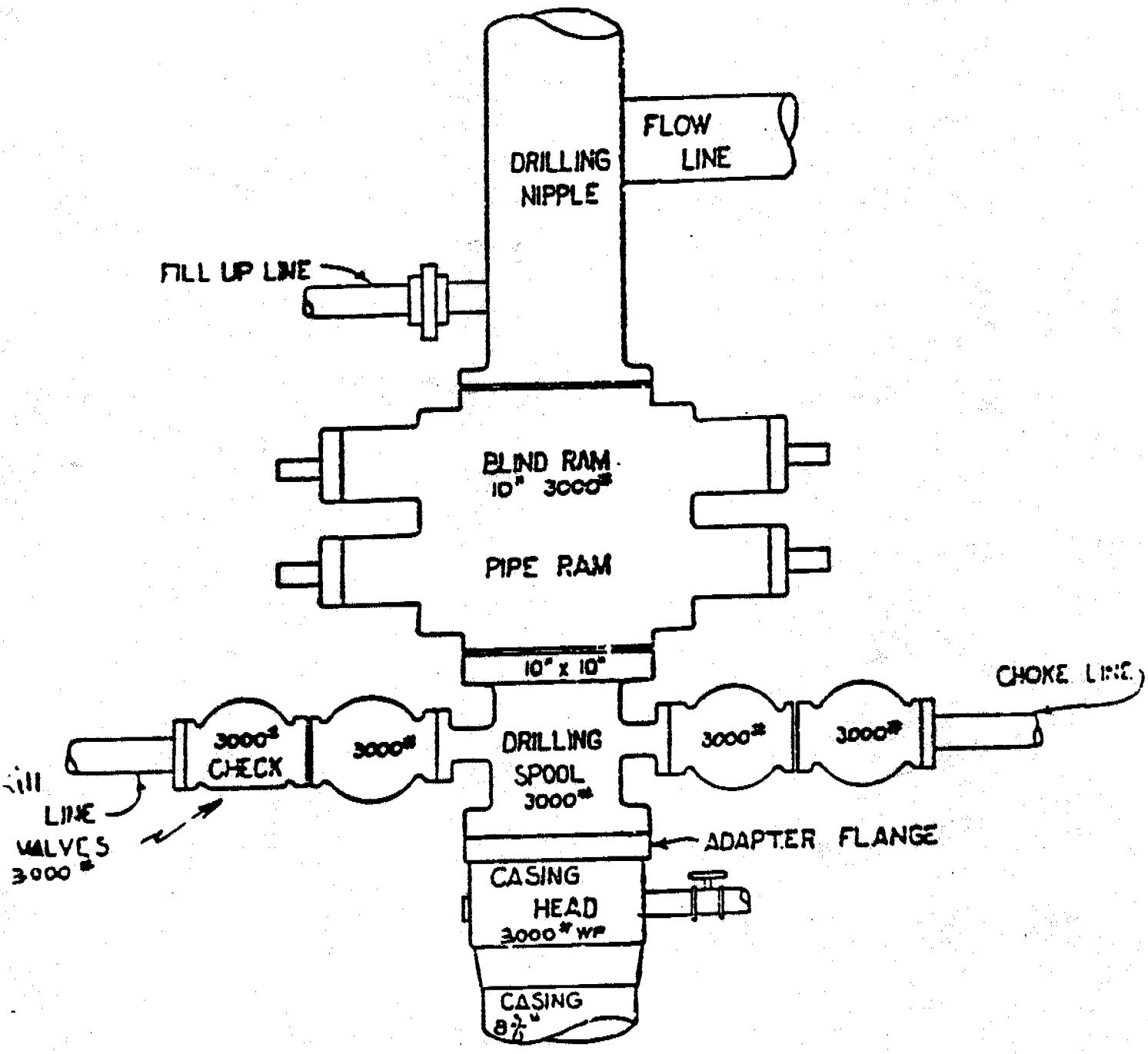
15. This well is located 13 miles south of Price, UT. Directions: 9 miles south on Hwy. 10 to Hwy. 122 (Hiawatha turnoff), then west 3 miles to the Wattis turnoff, then north 1 1/4 mile to the dirt road leading to location.

16. All trash will be maintained in a cage or suitable container and hauled to an approved disposal facility.

17. The closest well to this proposed well is the General American 1-15 in Sec. 15, T15S-R9E.

    The contact for this well is:

    Mark Spears
    Vice President, Production & Operations
    Fleet Energy, L.L.C.
    2450 Fondren, Suite 310
    Houston, TX 77063
    713/785-5600, Ext. 104

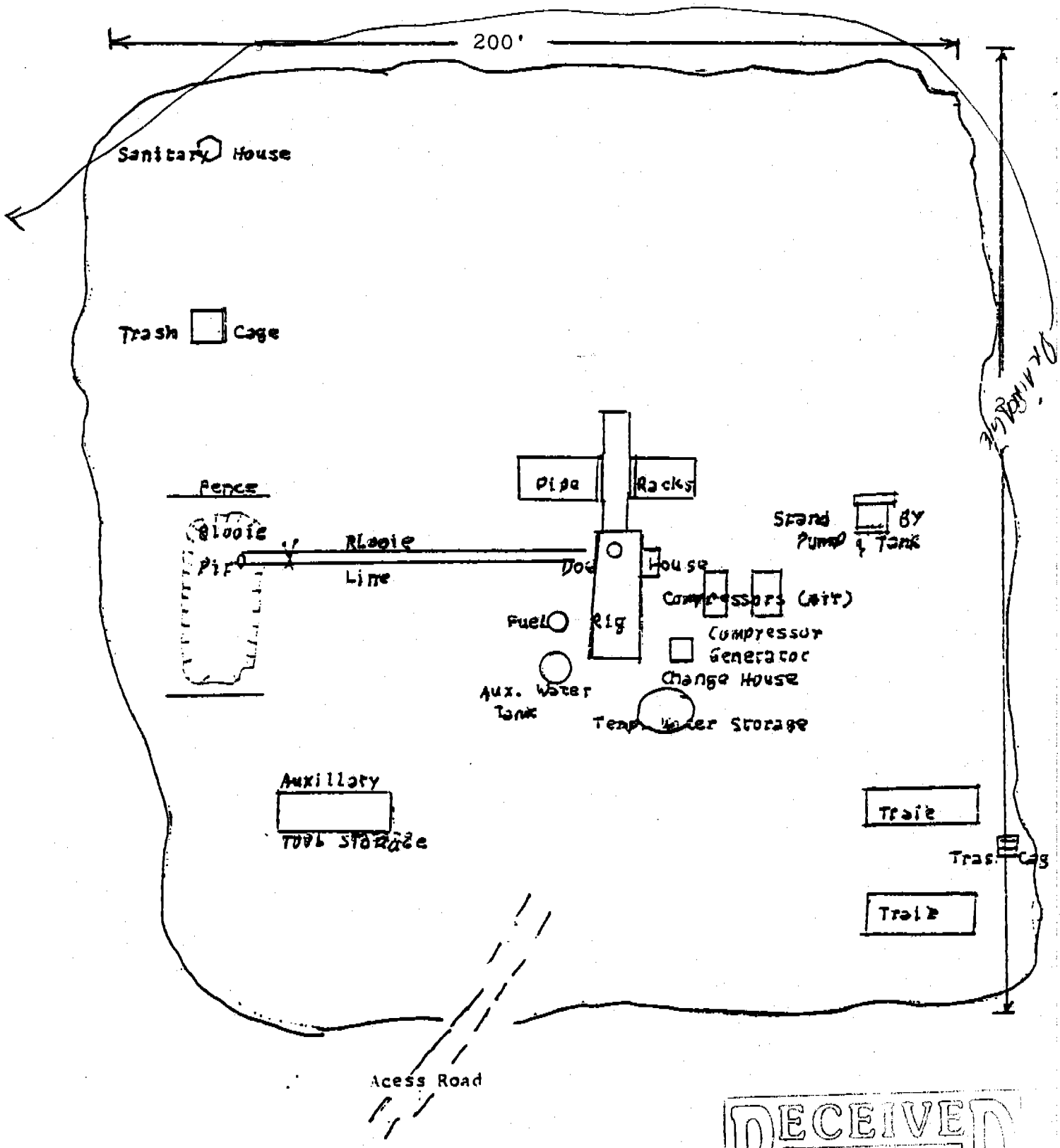


Fleet Energy L.L.C.
BLOWOUT PREVENTER DIAGRAM

Fleet Energy LLC

Schematic Diagram

Drilling Rig Layout

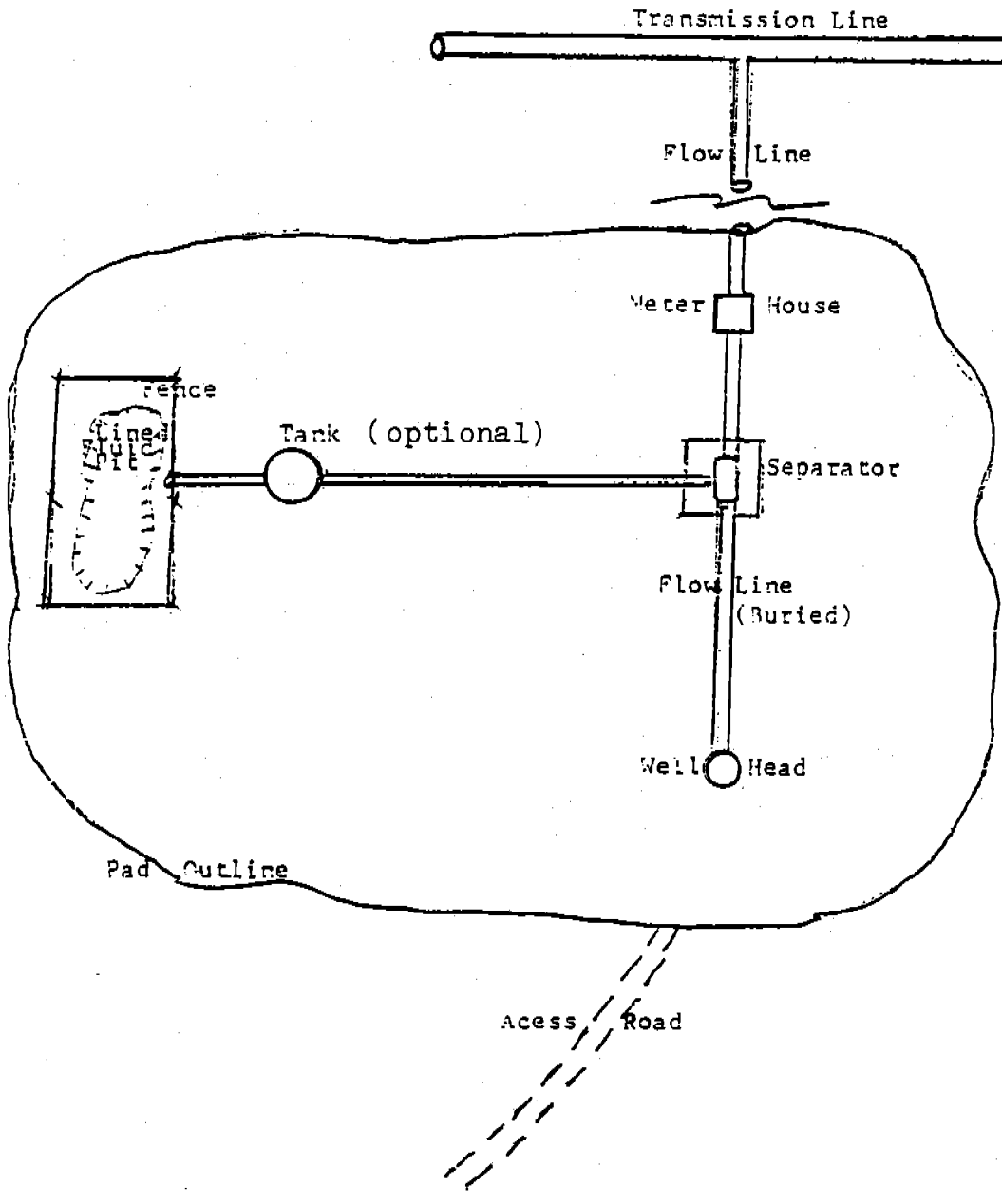


Scale 1" = 33'

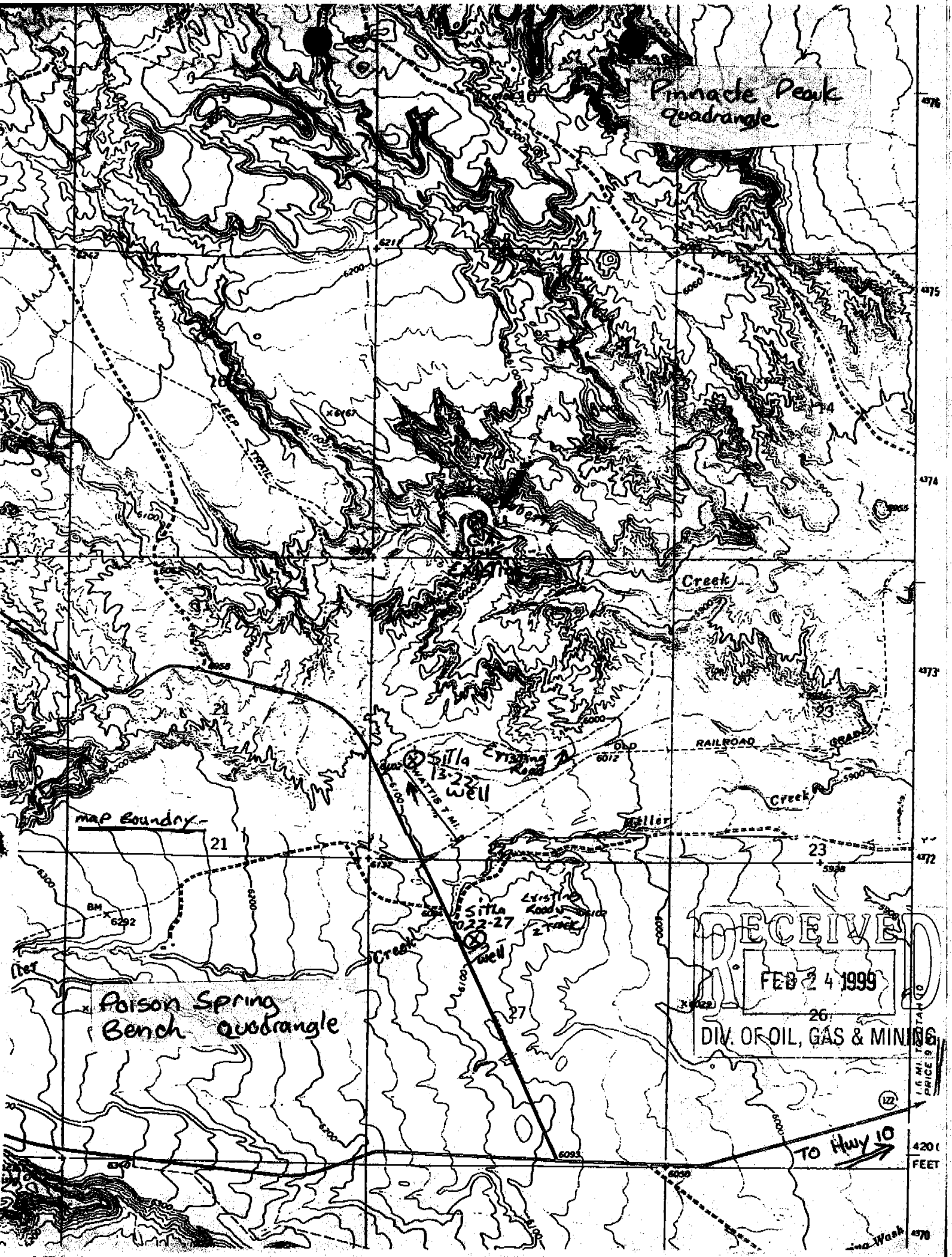
(approximate)

Fleet Energy L.L.

Production Facilities
Gas



Approximate Scale: 1" = 50'



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/24/1999

API NO. ASSIGNED: 43-007-30554

WELL NAME: SITLA 13-22
OPERATOR: FLEET ENERGY LLC (N0935)
CONTACT: G.M. Spears (713) 785-5600

PROPOSED LOCATION:
NESW 22 - T15S - R09E
SURFACE: 1672-FSL-0770-FWL
BOTTOM: 1672-FSL-0770-FWL
CARBON COUNTY
UNDESIGNATED FIELD (002)

LEASE TYPE: STA
LEASE NUMBER: ML-48232
SURFACE OWNER: State

PROPOSED FORMATION: FRSD

INSPECT LOCATN BY: / /		
TECH REVIEW	Initials	Date
Engineering	RJK	4-13-99
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

✓ Plat
✓ Bond: Federal [] State [✓] Fee []
(No. B7858)
N Potash (Y/N)
N Oil Shale (Y/N) *190-5(B)
✓ Water Permit
(No. Castle Valley Svs. Dist.)
N RDCC Review (Y/N)
(Date:)

N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3. Unit ____

___ R649-3-2. General

___ R649-3-3. Exception

✓ Drilling Unit
Board Cause No: 243-1 (160')
Date: 10-13-98

COMMENTS: Need Presite. (Conducted 4-1-99)

STIPULATIONS: (1) Engr. - See Attached Worksheet.
(2) STATEMENT OF BASIS
(3) SITLA STIPULATIONS

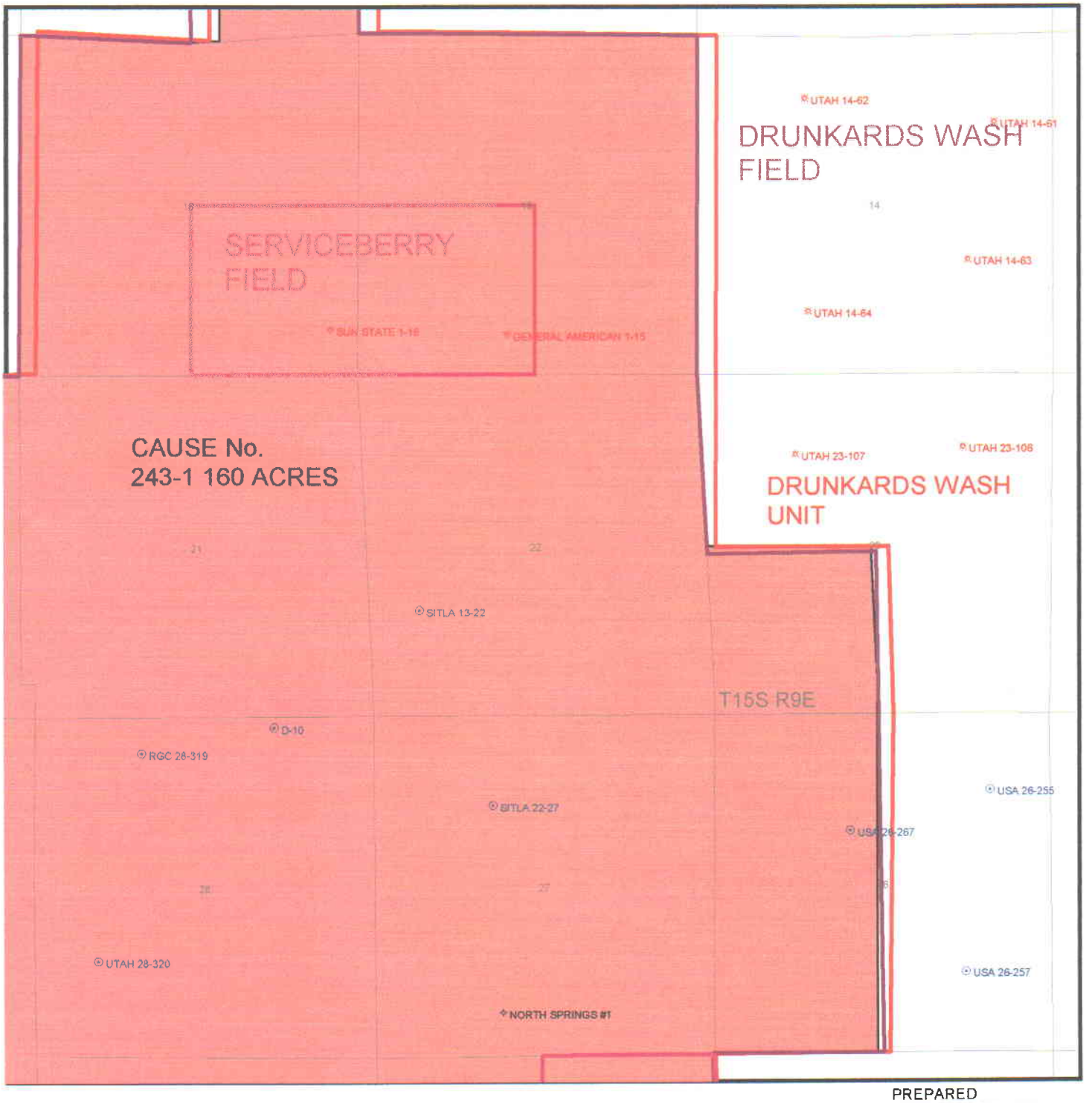
Division of Oil, Gas & Mining

OPERATOR: FLEET ENERGY LLC. (N0935)

FIELD: UNDESIGNATED (002)

SEC. 22 & 27, TWP 15S, RNG 9E

COUNTY: CARBON C AUSE No.: 243-1 160 ACRES



PREPARED
DATE: 15-MAR-1999

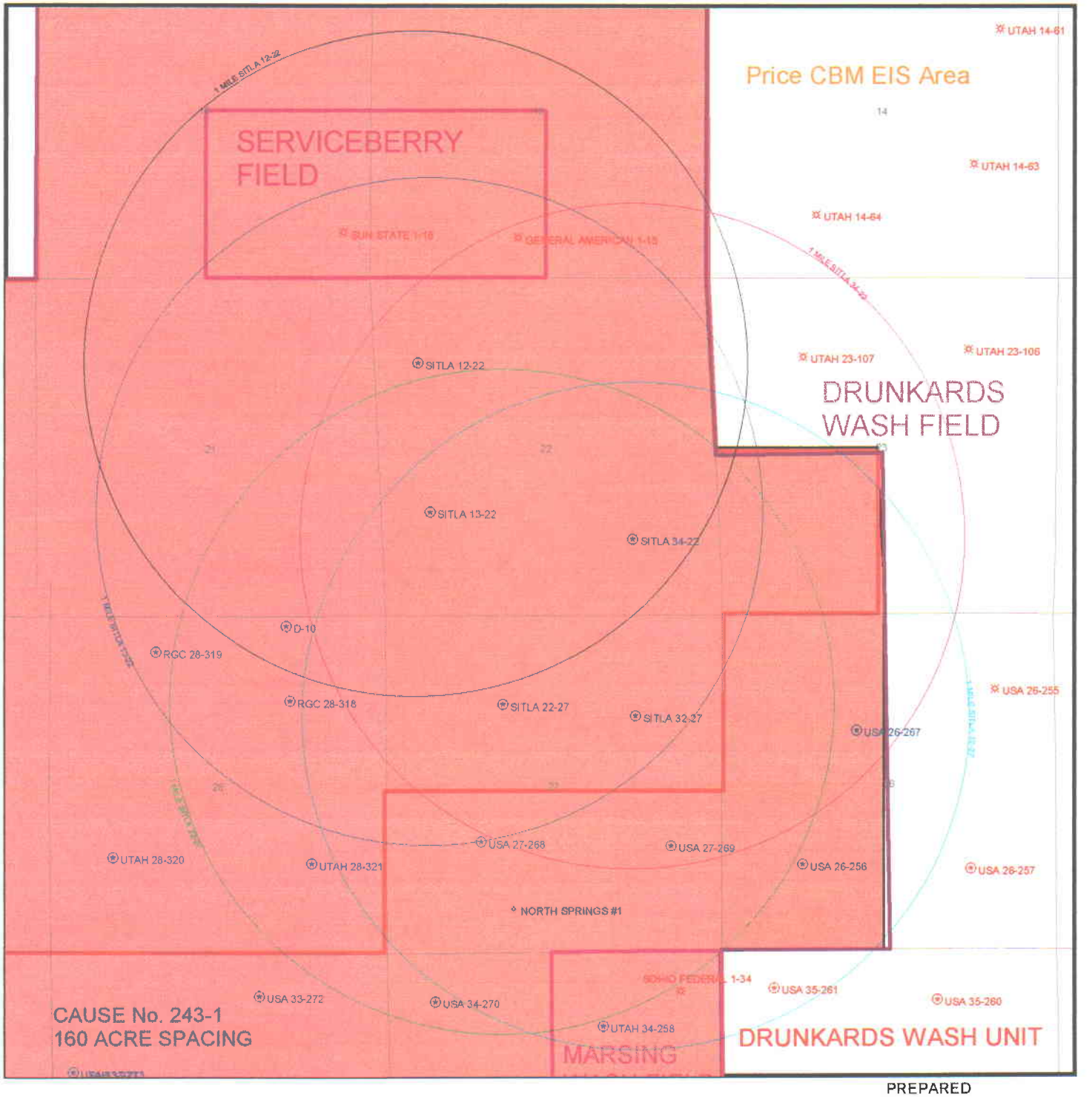
Division of Oil, Gas & Mining

OPERATOR: FLEET ENERGY LLC (N0935)

FIELD: UNDESIGNATED (002)

SEC. 22 & 27, TWP 15S, RNG 9E

COUNTY: CARBON CAUSE No. 243-1 160 ACRES



PREPARED
DATE: 31-MAR-1999

State of Utah
Department of Community and Economic Development
Division of State History
Utah State Historical Society

Michael O. Leavitt
Governor
Max J. Evans
Director

300 Rio Grande
Salt Lake City, Utah 84101-1182
(801) 533-3500 FAX: 533-3503 TDD: 533-3502
cehistry.ushs@email.state.ut.us

UTAH STATE HISTORICAL SOCIETY
SINCE 1897

March 23, 1999

RECEIVED
MAR 29 1999
DIV. OF OIL, GAS & MINING

Kenneth L. Wintch, Staff Archaeologist
Utah School and Institutional State Trust
Lands Administration
675 East 500 South, Suite 500
Salt Lake City UT 84102

RE: "Cultural Resource Inventory of Fleet Energy's Well Locations and Access Corridors, Carbon County, Utah" U-98-MQ-0074s

In Reply Please Refer to Case No. 99-0335

The Utah State Historic Preservation Office received the above referenced report on March 8, 1999. After consideration of the Montgomery Report, the USHPO concurs with a determination of No Effect for the project. Two properties were recorded and will be avoided by the project; [42CB 1318 and 1317, Eligible]

This information is provided on request to assist LANDS with its state law responsibilities as specified in U.A.C. 9-8-404. If you have questions, please contact me at (801) 533-3555. My email address is: jdykman@state.ut.us

As ever,

James L. Dykmann
Compliance Archaeologist

JLD:99-0335 OSM/DOEx2/NEx2

c: Keith R. Montgomery, Principal Investigator, Montgomery Archaeological Consultants
P. O. Box 147, 322 East 100 South, Moab UT 84514

c: DOGM, P. O. Box 145801, Salt Lake City UT 84114-5801

F:\CULTURAL\JIM\99-0335.wpd

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: Fleet Energy LLC

WELL NAME & NUMBER: SITLA 13-22

API NUMBER: 43-007-30554

LEASE: SITLA FIELD/UNIT: UNDESIGNATED

LOCATION: 1/4,1/4 NESW Sec: 22 TWP: 15 S RNG: 9 E 1672 FSL 770 FWL

LEGAL WELL SITING: 660'F SEC. LINE; 660 F 1/4,1/4 LINE; 1320F ANOTHER WELL.

GPS COORD (UTM): X = 508088 ; Y = 4372419

SURFACE OWNER: SITLA

PARTICIPANTS

C. Kierst(DOGM), Jim Hemingway (Fleet), Leroy Mead (DWR)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Western margin of Colorado Plateau/~7 miles east of foot of Wasatch Plateau. The location is on the westward-dipping lower reaches of the upper portion of the Blue Gate Member of the Mancos Shale (just above the Garley Canyon Beds). The pad is on open ground which slopes little if at all and is ~1/4 mile north of the Watis Highway, surrounded by Quaternary/Tertiary Pediment Mantle-capped erosional remnants.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 200' X 200' pad with 20' X 40' X 8' inboard pit and ~1000' of upgraded surface for approach road. 450' of new surface will be required.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 2 active gas wells (GSI), and 7 active permits 3 River Gas 4 Fleet are within the radius of this well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ~3.75 miles east of pad (Questar pipeline runs north-south).

SOURCE OF CONSTRUCTION MATERIAL: the operator requests not to gravel the road surface until after the well is proven productive. The cut material will balance in the fill of the location a berm will be placed around the perimeter of the pad as per the APD.

ANCILLARY FACILITIES: none

WASTE MANAGEMENT PLAN:

No waste mamagement plan was submitted with the APD. However the operator agreed to or stipulated the following. Portable toilets; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None

FLORA/FAUNA: sagebrush, grasses / birds, lizards, coyotes, rodents, raptors, elk, deer, reptiles.

SOIL TYPE AND CHARACTERISTICS: Moderately-permeable silty soil on Pediment Mantle.

SURFACE FORMATION & CHARACTERISTICS: Quaternary/Tertiary Pediment Mantle and alluvium over Blue Gate Shale Member (just above Garley Canyon Beds) of Mancos Shale. Garley Canyon Sandstone Beds are discontinuous in the area, relatively thin and at or near the surface.

EROSION/SEDIMENTATION/STABILITY: Stable flat ground little or no slope

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout, earthen pit, as above.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner

SURFACE RESTORATION/RECLAMATION PLAN

As per State surface agreement.

SURFACE AGREEMENT: Agreement filed with State.

CULTURAL RESOURCES/ARCHAEOLOGY: cleared and filed with state.

OTHER OBSERVATIONS/COMMENTS

During the pre-site such things as dust abatement while drilling with airmist and the use of mag chloride on the roads was discussed. It was the original intention of Fleet to not upgrade or build any more than a two track road and to bring the pipeline and other utilities straight across country thus increasing the total impact on the area with another corridor of access. Right-of-way access and county regulations about pipelines was discussed and Fleet personnel were informed that they should be having ongoing discussions with the county about access and permit fees that they had not been having. Fleet was also apraised that SITLA would be overseeing the pipeline issues and that the BLM and EIS would need to be a familiar document to them concerning use and wildlife issues.

ATTACHMENTS:

1 photo was taken of this location.

K. Michael Hebertson	1-Apr-1999/10:20 AM
DOGM REPRESENTATIVE	DATE/TIME

Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

Site-Specific Factors	Ranking	Site Ranking
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	5
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	0
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	0
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	0
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	10
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents	20	3
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	0
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	5
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	0
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	0

Final Score 23 (Level II Sensitivity)

From: Leroy Mead
To: Michael Hebertson
Date: Monday, April 05, 1999 3:14:27 PM
Subject: Fleet Energy On-site Inspections.

Mike,

Concerning our on-site inspections with Fleet Energy last week, I have the following comments:

T 15 S, R 9 E, Sec. 27:

No objections to the sites for these two wells.

T 15 S, R 9 E, Sec. 22:

Concerning the well-site in the Southeast quadrant between the old railroad grade and Miller Creek, the EIS states that raptor nests must have been "documented as occupied within a 3-year period" to initiate the 0.5 mile buffer zone. It is my opinion that the nests have been vacant for at least 3 years. Therefore, it would be OK for Fleet to drill the well there as far as the hawk goes. However, I would prefer to move it to the other location we talked about, if I had my "druthers".

Northwest Quadrant:

As we discussed, I would rather Fleet Energy move this well location to the bottom of the hill in the open, greasewood canyon we looked at. This site is more centrally located, has potential for easier access, is less likely to be an erosion problem, and is out of the pinyon-juniper stand that was obviously used by wintering mule deer. In my opinion, this is a much better site and I would encourage Fleet Energy to move the well to this location.

I left a voice-mail message with Jim Hemingway about the hawk nests last Thursday, April 1st. Let me know if you have any questions. Thanks.

Leroy Mead
(435) 636-0274

CC: Chris Colt, Derris Jones

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: Fleet Energy LLC.
Name & Number: SITLA 13-22
API Number: 43-007-30554

Location: 1/4,1/4 NESW Sec. 22 T. 15 S R. 9 E **County**: Carbon

Geology/Ground Water:
This location lies within 50' drilled depth of the Garley Canyon member of the Mancos Shale, and 3/4 mile west of the location there are active wet areas bordering on swampy at times. The Garley Canyon is not an aquifer in this section but could be farther to the west. However no high quality ground water is expected to be encountered. The proposed casing and cement program will adequately isolate any zones of water penetrated.

Reviewer: K. M. Hebertson **Date**: 7-Apr-1999

Surface:
The silty, moderately-permeable soil is developed on Quaternary/Tertiary Pediment Mantle covering the Blue Gate Shale Member of the Mancos Shale. The nearest surface waters are ~ .75 miles to the north and the nearest moving surface waters are in Serviceberry Wash at that same distance north. Precipitation will not need to be deflected around the location however berms will be placed around the pad at the top and low water crossings will be used in the areas that would otherwise collect water. A portion of an existing road will be reclaimed when the location is built as the approach road is a more direct route to location. Pit integrity will be maintained by the use of a synthetic liner. There are no nearby culinary or irrigation water supply wells. The site was photographed and characterized on 1-Apr-1999. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway. The operator was unaware that Carbon County may require fees for this site and the the pipeline cannot be situated along the County road Right-of-way. The were also unaware that Wildlife requires a fee for impact in the critical winter habitat area. Wildlife has forwarded an E-Mail of the field work and questions that were discussed and a copy has been enclosed as part of this assessment.

Reviewer: K. Michael Hebertson **Date**: 7-Apr-1999

Conditions of Approval/Application for Permit to Drill:
1) Low water crossings will be used in the outwash plane of a small drainage north of the pad.
2) Berm location and pit.
3) Minimum 12 mil synthetically lined pit and blooie pit.
4) A drainage will be slightly altered and cut to deflect runoff to the south of the pad.
5) Dust abatement will be used while drilling and on access roads.

Well name:	**Fleet 499 SITLA 13-22**
Operator:	**River Gas Corp.**
String type:	Surface
Project ID:	43-007-30554
Location:	Carbon County

Design parameters:

Collapse
- Mud weight: 8.330 ppg
- Design is based on evacuated pipe.

Burst
- Max anticipated surface pressure: -3,236 psi
- Internal gradient: 11.221 psi/ft
- Calculated BHP 130 psi
- No backup mud specified.

Minimum design factors:

Collapse:
- Design factor 1.125

Burst:
- Design factor 1.00

Tension:

8 Round STC:	1.80 (J)
8 Round LTC:	1.80 (J)
Buttress:	1.60 (J)
Premium:	1.50 (J)
Body yield:	1.50 (B)

Tension is based on buoyed weight.
Neutral point: 262 ft

Environment:

H2S considered?	No
Surface temperature:	75 °F
Bottom hole temperature:	79 °F
Temperature gradient:	1.40 °F/100ft
Minimum section length:	290 ft
Cement top:	91 ft

Non-directional string.

Re subsequent strings:

Next setting depth:	7,500 ft
Next mud weight:	9.000 ppg
Next setting BHP:	3,506 psi
Fracture mud wt:	19.250 ppg
Fracture depth:	7,500 ft
Injection pressure	7,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	300	8.625	24.00	J-55	ST&C	300	300	7.972	14.4

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	1370	10.55	130	2950	22.72	6	244	38.73 J

Prepared by: RJK
Utah Dept. of Natural Resources

Date: April 13,1999
Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing shall be cemented to surface.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 300 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	**Fleet 499 SITLA 13-22**
Operator:	**River Gas Corp.**
String type:	Production
Project ID:	43-007-30554
Location:	Carbon County

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.433 psi/ft
Calculated BHP 1,220 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 2,464 ft

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 114 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 494 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft^3)
1	2820	5.5	17.00	N-80	LT&C	2820	2820	4.767	97.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1220	6290	5.15	1220	7740	6.34	42	348	8.31 J

Prepared by: RJK
Utah Dept. of Natural Resources

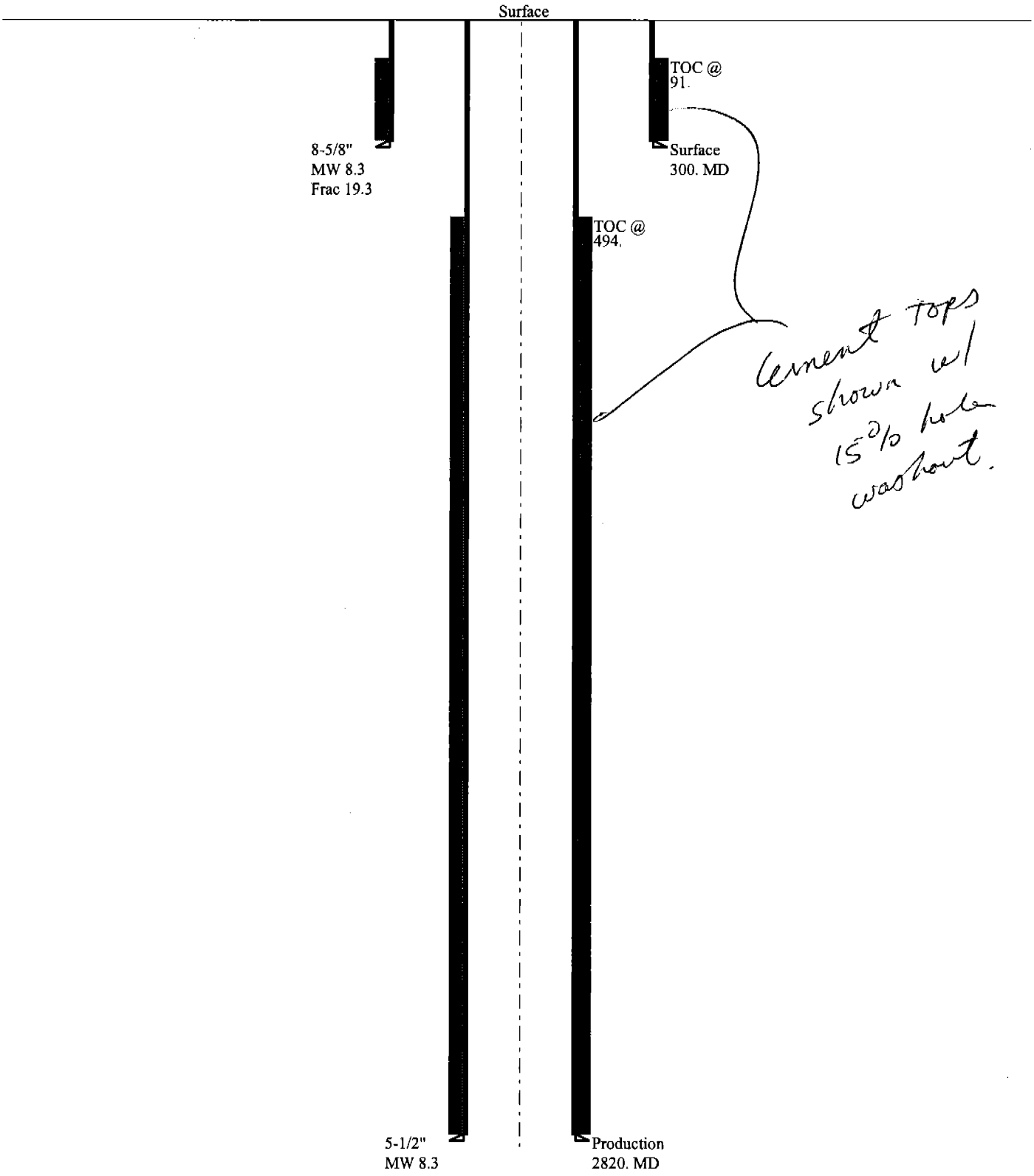
Date: April 13,1999
Salt Lake City, Utah

ENGINEERING STIPULATIONS: Surface casing shall be cemented to surface.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 2820 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Fleet 499 SITLA 13-22

Casing Schematic



SCHOOL AND INSTITUTIONAL TRUST LANDS ADMINISTRATION

OIL AND GAS CONDITIONS OF APPROVAL

PRICE COALBED METHANE PROJECT

FINAL ENVIRONMENTAL IMPACT STATEMENT

Well: SITLA 13-22

Mineral Lease No: ML-48232

API No.: 43-007-30554

Location: NE SW SEC. 22, T. 15 S., R. 9 E.

County: CARBON

The Bureau of Land Management has prepared an Environmental Impact Statement for a portion of the Price Coalbed Methane area and a Record of Decision has been issued with respect to certain actions considered in the Environmental Impact Statement.

Pursuant to the Utah Schools and Land Exchange Act of 1998, Pub. L. 105-335, 112 Stat. 3139, which ratified the May 8, 1998, "Agreement to Exchange Utah School Trust Lands Between the State of Utah and the United States of America" entered into between the State of Utah and the United States of America, the School and Institutional Trust Lands Administration ("SITLA") has agreed to adopt all conditions, mitigation measures and restrictions imposed on lessees by the Record of Decision in the administration of Federal Mineral Leases acquired in Townships 14, 15, 16 South and Ranger 8 and 9 East, SLBM.

Accordingly, SITLA's approval of the Application for Permit to Drill shall be conditioned upon the following:

Location of Facilities and Timing of Construction

Final well locations and transportation corridor alignments shall be selected and designed to avoid or minimize disturbances to sensitive areas, including areas of high wildlife value or critical habitat, grazing, and/or recreational value, including wetlands and riparian areas; and areas with high erosion potential, highly saline soils, rugged topography, and/or poor reclamation potential (i.e., steep slopes, eroded lands, floodplains, unstable soils), where possible.

New roads shall be constructed so as to avoid areas with high erosion potential. Where roads must be allowed, new roads shall be graded tp spread drainage instead of channeling runoff. No road on excess of 15 percent shall be allowed on slopes greater than 15 percent. No vehicle access shall be allowed across slopes on excess of 25 percent.

Construction shall not occur on frozen or saturated soils, or when watershed damage is likely, unless an adequate plan is submitted to SITLA that demonstrates potential impacts will be mitigated. SITLA may limit cross- country travel or construction activity at times when soils are dry or frozen or have snow cover. SITLA will determine what is "wet," "muddy," or "frozen' based on weather and field conditions at the time. The limitation does not apply to maintenance and operation of producing wells.

Occupancy or other surface disturbance shall not be allowed within 330 feet of the centerline or within the 100-year recurrence interval floodplain of perennial steams, except where authorized in writing by the SITLA (e.g., road crossings).

Occupancy or other surface disturbance shall not be allowed within 660 feet of springs, whether flowing or not. No vibroseis, drilling or blasting associated with seismic exploration shall be allowed withing 0.25 mile of any spring or water well.

During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by SITLA prior to use.

Vegetation removal necessitated by a construction project shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed form the construction site at the direction of SITLA.

Reclamation

The reclamation plan shall be a part of the surface use plan of operations. The following are generally components of the reclamation plan.

All pits must be reclaimed to a natural condition similar to the rest of the reclaimed area, and must be restored to a safe and stable condition.

Reclamation shall start immediately upon completion of construction, unless prevented by weather conditions. Disturbed areas shall be restored to approximately the original contour.

Disturbed areas shall be revegetated after the site has been satisfactorily prepared. Site preparation may include ripping, contour furrowing, terracing, reduction of steep cut and fill slopes, waterbarring, or other procedures.

Revegetation seed mixes have been established for the Project Area, and are provided in Appendix 2F. They are based on erosion control, forage production, elevation, soils, vegetation community composition, and precipitation requirements. Different seed mixes have been developed for temporary seedlings, and for final reclamation of sited in salt desert, sagebrush/grass, pinyon-juniper, mountain brush, and riparian habitats. Reclamation in riparian habitat shall also involve sedge and rush root plugs, willow cuttings, and cottonwood bare root stock plants. All seed mixes shall be free of noxious weeds.

Seedling shall be done by drilling on the contour whenever practical, or by other approved method. Where broadcast seeding is used, seeding shall take place after the soil surface is recontoured and scarified. A harrow or similar implement shall be dragged over the area to assure seed cover.

On all cut slopes, the seeding must extend from the bottom of the ditch to the top of the cut slope. On embankment slopes, the seeding must extend from the roadway shoulder to the toe of the slope. Seeding shall also be done on all borrow pit areas and on all sidecast slopes in areas of full bench construction.

Seeding and/or planting shall be repeated until satisfactory revegetation is accomplished, as determined by SITLA. Mulching, fertilizing, fencing or other practices may be required.

Seeding shall be done from October 1 to November 15, and from February 1 to March 31 (requires SITLA prior approval).

Sufficient topsoil to facilitate revegetation shall be segregated from subsoils during all construction operations and shall be returned to the surface upon completion of operations, where feasible. Topsoil stockpiles shall be revegetated or otherwise protected to prevent erosion and maintain some soil microflora and microfauna. Stockpiled topsoil shall be spread evenly over the recontoured area. All disturbed areas and vehicle tracks form overland access shall be ripped 4 to 12 inches deep within the contour.

Bonds are required for oil and gas operations on federal leases for protection pf the environment, including surface reclamation. Revegatation must be successfully established for release for the bond.

Reclamation and abandonment of pipelines and flowlines may require replacing fill on the original cuts, reducing and grading cut and fill slopes to conform to the adjacent terrain, replacement of surface soil material, waterbarring, and revegetating in accordance in accordance with a reclamation plan.

Wellsite reclamation shall include recounturing to re-establish natural contours where desirable and practical.

After well plugging and abandonment, roads constructed by the operator not required for SITLA transportation system use shall be closed and obliterated. Reclamation may include ripping, scarifying, waterbarring, and barricading Stockpiled soil, debris and fill materials shall be replaced on the road bed to conform to the approved reclamation plan.

Water bars shall be constructed on road grades or slopes, if require by SITLA. Spacing of waterbreaks is dependent on slope and soil type. For most soil types, the following spacing shall be used:

Slope	Spacing
2%	200 feet
2-4%	100 feet
4-5%	75 feet
>5%	50 feet

Revegetation on big game critical winter range shall include hand-planting of seedling browse plants and use of seedling protectors to provide protection against browsing in the first two years after planting.

Temporary erosion control measures such as mulch, jute netting, or other appropriate methods shall be used on unstable soils, steep slopes, and wetland areas to prevent erosion and sedimentation until vegetation becomes established.

General Requirements

Precautions must be taken at all times to prevent wildfire. Operators shall be held responsible for suppression costs for any fires on public lands caused by operator's negligence. No burning of debris shall be allowed without specific authorization from SITLA.

Any campfires must be kept to a minimum size and utilize only downed dead wood.

Road construction must meet class II standards (Appendix 2C).

With SITLA approval, existing roads or trails may be improved (bladed) if impassable by vehicles or equipment. No widening or realignment shall be allowed unless approved by SITLA. Maintenance of roads outside lease or unit boundaries will require a SITLA right-of-way.

New trails may be constructed only when vehicle and equipment passage is impossible, and only with the concurrence of the SITLA. Any pushed trees are to be readily retrievable without additional disturbance, if needed for reclamation.

Reserve pits for oil and gas drilling operations may be required to be lined with commercial-grade bentonite or plastic liners sufficient to prevent seepage. At least half of the

capacity shall be in a cut.

Prior to the use of insecticides, herbicides, fungicides, rodenticides, and other similar substances, and operator must obtain from SITLA approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that SITLA may require. A pesticide may be used only in accordance with it's registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.

Water Resources

Existing fords shall be used for drainage crossings where possible. Low-water crossings shall use a cut-and-fill process or upgrade existing crossings unless use of culverts is specifically authorized.

Bridges and culverts shall allow adequate fish passage where applicable. Take-down (or free-floating) panels or water gates shall be installed on all fences that cross intermittent or perennial steam channels.

For construction projects lasting more than 30 days, portable chemical toilets shall be provided at all staging areas, bases of operations, and storage areas.

Soaps, detergents, or other nondegradable foreign substances shall not be used for washing in streams or rivers. Biodegradable soap may be used.

No oil, lubricants, or toxic substances may be drained onto the ground surface. Pads shall be designed so that any oil, lubricants, etc., shall drain into a collection system.

Wetlands and Riparian Areas

Construction, development, and right-of-way in riparian areas shall be minimized. Where these areas must be disturbed, stipulations shall minimize impacts and require post-disturbance reclamation. Reclamation shall be closely monitored, and not considered complete until the desired vegetation is established.

Wildlife

Restrictions on Construction Phase Activity: Prohibit construction phase activity described below, on big game high value and critical winter range during the period (December 1 - April 15). This condition would not apply to normal maintenance and operation of producing wells, described below.

Construction Phase Activity: Construction phase activity is considered to include all work associated with initial drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

Construction activities are not allowed to be initiated unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December 1 of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operations including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (crawler tractor, front end loader, backhoe, road grader, etc.)
- Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.),
- Drilling activity (operator would not propose to initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December 1 date of theat year.
- Seismic operation, detonation of explosives.

This seasonal closure would not apply to reconnaissance, survey/design and /or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

Production Phase: A coalbed methane well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of production and delivering product for sale. It is noted that heavy equipment operation may be necessary in the performance of maintenance and operation of producing wells.

Restriction on Non Emergency Workover Operations: Non-emergency workover operations (defined below) are required to be scheduled on big game high value winter range outside the December 1 to April 15 date of the seasonal closure. The operator will be required to submit Sundry notices to SITLA in advance of workover operations proposed between December 1 and April 15. Sundry notices submitted as emergency work, may require independent corroboration by SITLA staff prior to work proceeding. Should SITLA object to the emergency designation of the sundry notice, SITLA would make notification of the objection within five working days of receipt of the sundry notice. In the absence of such notification or in the event of corroboration with the sundry notice, the operator would be permitted to proceed with the workover operation.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of five percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

Emergency Workover Operations: Emergency work over operations are defined as downhole equipment failure problems or workover operations necessary to avoid shut-in of the

well or to avoid an immediate safety or environmental problem. Loss of production greater than five percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation.

The subject permit application is proposed within critical winter range and subject to acre for acre mitigation for surface disturbance on critical winter range. The following condition comes from a cooperative agreement between the River Gas Corporation, BLM-Price Field Office, the Utah Division of Wildlife Resources and the National Fish and Wildlife Foundation, under which the River Gas Corporation agrees to the following:

- Contribute $1,250.00 (1996 dollars) for each well interest permitted and drilled by RGC (or on behalf of RGC by its contractor) on big game critical winter range as depicted in the FEIS Price Coalbed Methane Project Area. (Wells meeting the above criteria for which payment will be required, will be referred to as "subject wells".) This contribution will be adjusted annually for inflation based on the Consumer Price Index (CPI), see Section II.C.6 for the referenced source used for the determination of the CPI and the date in which this annual adjustment will go into effect.

  Since this mitigation program is designed to address impacts of all big game critical winter range surface disturbance (roads, well pads, pipelines, etc.), contributions will be required regardless of the success or failure of the subject well to produce.

  - The recorded date for spudding for each subject well (the first boring of a hole during the drilling of a well) will serve as the reference date triggering the requirement for the mitigation contribution.

  - Contributions will be submitted (in the form of an Corporate check, cashiers check or wire transfer) directly to the National Fish and Wildlife Foundation by the 30th of each month for all subject wells spudded in the preceding month.

  - All contributions will be made payable to the "National Fish and Wildlife Foundation re: Proj 97-260" and reference the "Price Field Office Wildlife Habitat Impact Mitigation Fund (RGC)".

Exploration, drilling or other development activity shall only be allowed from June 16 to March 31 in sage grouse strutting/nesting areas. This limitation does not apply to maintenance and operation of producing wells.

Permanent surface disturbance and occupancy (i.e., oil and gas production facilities) is prohibited within 0.5 miles of raptor nests which have been documented as occupied within a 3-year period, and temporary surface disturbance and occupancy (i.e., seismic lines, oil and gas

exploration, road construction) is prohibited within one-half mile buffer zones during the critical nesting period. Site-specific evaluations in coordination with the USFWS may allow for modifications to this requirement. This requirement does not apply to maintenance and operation of existing producing wells and access roads constructed prior to occupancy of nest(s). The proponent shall be required to submit (at least 5 days in advance of proposed work) a sundry notice for all workover or maintenance operations requiring use of heavy equipment during the raptor breeding season (February 1 to July 15) and within the 0.5 mile buffer zone of any known raptor nest site. Upon receipt of this notification, SITLA, in consultation with USFWS and UDWR, shall conduct a field evaluation and issue a determination on the activity status of the affected nest site. If the nest site is found to be occupied (defined below), site specific protection measures shall be developed to protect the nesting raptors and prevent conditions or actions that may result or contribute to a "taking" as defined under the Bald Eagle Protection Act and Migratory Bird Treaty Act.

An occupied raptor nest is defined for the purpose of this stipulation as any nest site exhibiting physical evidence of current use by raptors. Evidence may include but is to not limited to: presence of raptors (adults, eggs young) at the nest or within the nesting territory, presence or greenery in the nest, and/or presence of current year's whitewash at the nest or in the immediate vicinity of the nest.

Raptor surveys shall be required to determine the status of known nests and verify presence of additional nests for all federal leases within the Project Area. Surveys shall be conducted by consultants qualified to conduct such surveys and approved by the authorized officer. All surveys shall be conducted by helicopter during May of each year, prior to the proposed drilling and prior to APD approval. The surveys shall be done in the same year as the proposed drilling so that current nest activity status data are available. Costs for surveys and preparation of a report of the findings of the survey shall be the obligation of the lease holder.

In order to protect bald eagle winter roost sites, a 0.5 mile radius buffer zone of no surface occupancy shall be established around all winter night roost sites. This buffer zone applies to all above ground facilities such as wells, compressor stations, and roads, that require or encourage human visitation during the winter period. Exceptions to this stipulation shall be considered on a case by case basis through consultation with the USFWS. Upon request for an exception to this stipulation, SITLA shall coordinate with the USFWS and UDWR to jointly develop a site-specific buffer zone based on topography and visual sight distances around the night roost site.

Cultural Resources

All areas subject to surface disturbance, or Areas of Potential Effect (APE), which have not been previously inventoried for cultural resources to SITLA standards, must be inventoried prior to approval of an APD or other actions. The APE is defined as any area that may be subject to direct or indirect impacts to cultural resources by elements of the development project. The zone of the APE shall vary in size in accordance with the projected levels of sensitivity for cultural resources at the location of any development. In low sensitivity areas, the APE shall be defined as

the area subject to direct impacts through surface disturbing activities. In areas of medium sensitivity, the APE shall be expanded to account for potential indirect impacts: intensive inventory shall occur on all well pads plus additional 10 acres surrounding each pad; a 150- foot corridor center on roads, flowlines, and other facilities shall be inventoried as the APE. In high sensitivity areas, the APE shall include the well pad and 10 acres surrounding the well location' and the APE for roads, flowlines, and other facilities shall be area of direct ground disturbance and a 300-foot zone on all sides of the facility.

Cultural resource inventories shall be conducted in consultation with SITLA by authorized cultural resource professionals. Prior to field work, a records check must be conducted to identify previous inventories ans recorded properties. During the course of inventories, previously unrecorded sites must be recorded on standard forms, photographed, and mapped. Cultural resources shall be evaluated , and a recommendation on eligibility to the National Register of Historic Places shall be made. SITLA shall make all Determinations of Eligibility. A report shall be prepared for each development or series of developments documenting the inventory methods, results, description of the sites within the APE, recommendations on National Register eligibility, and shall include proposed mitigating measures.

SITLA shall consult with the State Historic Preservation Officer (SHPO) and the President 's Advisory Council on Historic Preservation (ACHP) as mandated by the National Historic Preservation Act of 1966 (as amended), in accordance with guidelines set forth in a Programmatic Agreement among BLM, SHPO, ACHP, and RGC. This document has been completed as a legally binding agreement and is referenced in the Record of Decision for the overall project. Site avoidance, detailed site recordation, and site protection shall be the preferred treatments, but mitigation of National register eligible properties through date recovery may take place where avoidance is not prudent or feasible, after consultation as specified in the Programmatic Agreement. SITLA shall submit a treatment plan to SHPO, ACHP and to other affected parties as may be appropriate for a 30-day consultation prior to implementation of data recovery efforts.

SITLA shall notify, consult , and/ or coordinate with Indian tribes, traditional leaders, and other interested parties as required by various statues (NEPA, American Indian Religious Freedom Act [AIRFA], National Historic Preservation Act [NHPA], Federal Land Policy and Management Act [FLPMA], Archaeological Resources Protection Act [ARPA], and the Native American Graves Protection act [NAGPRA]). In particular, SITLA shall attempt to elicit information concerning the potential effects of any action resulting from the Proposed Action on tradition cultural properties, including areas of traditional use and areas of religious or cultural importance to tribes. Indian tribes shall be afforded a minimum of 30 days for review , comments and consultation prior to issuance of a decision; under certain circumstances additional time must be afforded. A 30- day notification period is required by ARPA prior to issuance of any Cultural Resource Use Permits of r the excavation and removal; of cultural resources from public lands administered by SITLA. NAGPRA requires notification and consultation with affected tribes regarding the potential to encounter human remains during the course of a project, and provides for cessation of work, and the notification and consultation with tribes should inadvertent

discovery of human remains occur during the course of a project. SITLA shall assure adherence to these statues.

If a previously unknown property is encountered during construction or operation of the facilities, or is a previously planned undertaking shall affect a known historic property in an unanticipated manner, all work that might adversely affect the property shall cease until SITLA can evaluate the significance of the property and assess the effect of the undertaking. SITLA shall consult with SHPO on both a determination of eligibility and the assessment of effect on an expeditious manner. If the site is determined eligible and shall be affected by the undertaking, SITLA shall ensure that RGC prepares an avoidance or treatment plan for the property.

If humans remains are discovered at any point during the project, they shall be treated according to state and federal law, and according to the wishes of concerned Native American tribes, pursuant to the Native American Graves Protection and Repatriation Act. The county sheriff, coroner, land-managing official, and State Archaeologist shall be notified. The remains shall not be disturbed until the appropriate officials have examined them

Land Use

On split estate lands, where the surface is privately owned and the subsurface is owned by SITLA, SITLA will recommend the same environmental protection standards as shall be used for SITLA surface. The operator is responsible for making a good faith effort ro reach an agreement with the privates surface owner which considers the recommended SITLA protection measures and formalizes requirements for the protection of surface resources and/or damages.

Each application for permit to drill or application to conduct other surface disturbing activities shall contain the name, address and telephone number of the surface owner. The SITLA shall invite the surface owner to participate in any on-site inspection that is held. The operator is responsible for making access arrangements with the private surface owner prior to entry.

Incorporated cities are categorized by BLM as no Lease. Within the Project Area, BLM leases do not permit surface occupancy or other activity for Carbon County Airport, Carbon County Recreation Complex, and Carbon County sanitary landfill.

Livestock Management

Existing range and livestock management facilities, such as fences wells, reservoirs, watering pipelines, troughs and trailing systems, shall not be disturbed without prior approval of SITLA. Where disturbance is necessary, the facility shall be returned to its original condition.

Newly constructed range improvements such as fences and reservoirs must meet SITLA

standards. When it is necessary to gain access across a fenceline for construction purposes, the fence must be braced. Four-inch timber or equivalent must be installed and the gateway kept closed when not in actual use.

All gates found closed during the course of the operation must be reclosed after each passage of equipment and personnel. Cattle guards shall be installed in fences on all collector roads. Either a cattle guard or a gate shall be required on local and resource to roads to control livestock movement or vehicular access.

If road construction cuts through natural topography that serves as a livestock barrier, a fence shell be constructed to replace it. The fence shall be installed with a cattle guard or gate to control livestock and vehicle movement or access.

Access to grazing areas shall be maintained at all times. Livestock operators shall have access to grazing and trailing areas where road closures are implemented during periods of authorized livestock use.

Visual Resources

Roads through timbered areas shall take a curvilinear path to reduce sight distances.

Upon completion of the project the area and access roads shall be reclaimed to as near the original condition as possible. All disturbed areas shall be recontoured to blend as nearly as possible with te natural topography. All berms shall be removed and all cuts (including roads) filled.

Construction areas and access roads shall be kept liter-free. The operator must provide a trash pit or trash cage, and trash must be collected and contained during the operation. All garbage, trash, flagging, lath, etc., shall be removed from the area and hauled to an authorized dump site.

Construction and facilities shall be in conformance with Visual Resource Management (VRM) objectives for the VRM classes in the Project Area. All surface facilities in the Project Area shall be located to minimize disturbance of the visual horizon and painted to blend in with the surrounding landscape.

Colors shall be specified by the SITLA.

MISC. ITEMS

MUD PIT:_____Lined _____Unlined _____Determine at construction

Comments:_____

APPENDIX 2F

SEED MIXTURES FOR THE PRICE COALBED METHANE PROJECT

Seed mixtures have been developed for general land types throughout the project area. They are based on erosion control, forage production, elevation, soils, vegetation communities and average annual precipitation zones. The mixtures show the plant species and the pounds per acre of pure live seed (PLS) to be planted.

The following seed mixture will be planted along service road borrow ditches, around the edge of drill pads with a production well, and surrounding other production and maintenance facilities. The purpose of this seeding is to provide a "green strip" buffer to minimize fire hazards and prevent invasion and establishment of noxious weeds in areas that will receive contained disturbance for the life of these project areas.

Green Strip Area

NOTES: _____

Common Plant Name	**Scientific Name**	Pounds per acre/PLS*
Forage kochia	Kochia prostra	2
Wyoming big sagebrush	Artemisia tridentata wyominggensis Var. Gordon Creek	1
Douglas low rabbitbrush	Chiysothamnus viscidiflorus	1
Yellow sweetclover	Melilotus officinalis	1
Small burnet	Sanguisorba minor	1
Bottlebrush squirreltail	Elymus elymoides	1
Inertmediate wheatgrass	Thinopyrum intermedium	1
	Total	8

The following seed mixtures are for areas that will receive final reclamation. Areas would be planted to protect them form soil erosion and to restore forage production.

Salt Desert Areas

NOTES: _____

_____

_____

Common Plant Name	**Scientific Name**	Pounds per acre/PLS*
Grasses		
Indian ricegrass	Oryzopsis hymenoides	2
Squirreltail	Elymus elymoides	2
Galleta	Hilaria jamesii	2
Forbs		
Lewis flax	Linum perenne lewisii	1
Palmer penstemon	Penstemon palmerii	1
Gooseberryleaf glodemallow	Sphaeralcea grossulariifolia	0.5
Shrubs		
Forage kochia	Kochia prostrata	2
Rubber rabbitbrush	Chrysothamnus nauseosus	1
Fourwing saltbush	Atriplex canescens	2
Winterfat	Krascheninnikovai (Eurotia) lanta	2
	Total	15.5

Sagebrush/ Grass Areas

NOTES: _____

_____

_____

Common Name	**Scientific Name**	Pounds per acre/PLS*
Grasses		
Indian ricegrass	Oryzopsis hymenoides	2
Squirreltail	Elymus elymoides	2
Thickspike wheatgrass	Elymus lanceolatus	1
Crested wheatgrass	Agropyron desertorum	2

Forbs		
Lewis flax	Linum perenne lewisii	1
Palmer penstemon	Penstemon palmerii	1
Small burnet	Sanguisorba minor	1
Shrubs		
Forage kochia	Kochia prostrata	2
Whitestem rabbitbrush	Chrysothamnus nauseosus albicaulis	1
Fourwing saltbush	Atriplex canescens	2
Wyoming big sagebrush	Artmesia tridentata	1
	Total	16

Pinyon/Juniper Areas

NOTES: _____

_____

_____

Common Name	**Scientific Name**	Pounds per acre/PLS*
Grasses		
Thickspike wheatgrass	Elymus lanceolatus	1.5
Inertmediate wheatgrass	Thinopyrum intermedium	1.5
Squirreltail	Elymus elymoides	2
Crested wheatgrass	Agropyron desertorum	2
Forbs		
Lewis flax	Linum perenne lewisii	1
Palmer penstemon	Penstemon palmerii	1
Small burnet	Sanguisorba minor	1
Shrubs		
Forage kochia	Kochia prostrata	2
Fourwing saltbush	Atriplex canescens	2
Wyoming big sagebrush	Artmesia tridentata wyominggensis var. Gordon Creek	1
Antelope bitterbrush	Purshia tridentata	1
True Mt. mahogany	Cercocarpus montanus	1
	Total	17

Mountain Brush Areas

NOTES: _____

Common Name	Scientific Name	Pounds per acre/PLS*
Grasses		
Sheep fescue	Festuca ovina	2
Smooth brome	Bromus inermis	2
Slender wheatgrass	Elymus trachycaulus	2
Intermediate wheatgrass	Elytirgia intermedia	1.5
Russian wildrye	Psathyrostachys juncea	1
Forbs		
Lewis flax	Linum perenne lewisii	1
Rocky Mt. penstemon	Penstemon strictus	1
Sainfoin	Onobrychis viciifolia	0.5
Shrubs		
Forage kochia	Kochia prostrata	2
Wyoming big sagebrush	Artmesia tridentata wyominggensis var. Gordon Creek	0.5
Antelope bitterbrush	Purshia tridentata	1
Mountain big sagebrush	Artemisia tridentata var. vaseyana	0.5
True Mt. mahogany	Cercocarpus montanus	1
	Total	16

Riparian Areas

NOTES: _____

Common Plant Name	Scientific Name	Pounds per acre/PLS*
Grasses and Grasslike		
Reed canarygrass	Phalaris arundinacea	2
Streambank wheatgrass	Elymus lanceolatus riparium	4
**Nebraska sedge	Carex nebrascensis	
**Baltic rush	Juncus balticus	
Shrubs		

**Coyote pillow	Salix exqua	
Skunkbush sumac	Rhus trilobata var. trilobata	2
	Total	8

Tress

** Narrowleaf cottonwood Populus augustifolia

* Seeding rate is listed as pounds per acre of pure live seed (PLS) drilled. Rate is increased by 50 percent if broadcast seeded.

Formula: pure live seed (PLS) =%seed purity x %seed gemination.

** Sedge and rush root mass plugs, willow cuttings and cottonwood bare stock plantings will be done in the spring, within one month after water flows, when the riparian water table and soil moisture will ensure planting success.

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

April 20, 1999

Fleet Energy, L.L.C.
2450 Fondren, Suite 310
Houston, Texas 77063

Re: SITLA 13-22 Well, 1672' FSL, 770' FWL, NE SW, Sec. 22, T. 15 S., R. 9 E., Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30554.

Sincerely,

John R. Baza
Associate Director

lwp
Enclosures
cc: Carbon County Assessor
Bureau of Land Management, Moab District Office
SITLA

Operator: Fleet Energy, L.L.C.

Well Name & Number: SITLA 13-22

API Number: 43-007-30554

Lease: State **Surface Owner:** State

Location: NE SW **Sec.** 22 **T.** 15 S. **R.** 9 E.

Conditions of Approval

1. General

   Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

   Notify the Division of the following actions during drilling of this well:

   - 24 hours prior to cementing or testing casing
   - 24 hours prior to testing blowout prevention equipment
   - 24 hours prior to spudding the well
   - within 24 hours of any emergency changes made to the approved drilling program
   - prior to commencing operations to plug and abandon the well

   Division contacts (please leave a voice mail message if person is not available to take the call):

   - Dan Jarvis at (801) 538-5338
   - Robert Krueger at (801) 538-5274 (plugging)
   - Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

   All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Surface casing shall be cemented to surface.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

6. School and Institutional Trust Lands Administration-Oil and Gas Conditions of Approval.

Marathon Oil Company

1501 Stampede Avenue
Cody, WY 82414
Telephone 307/587-4961

April 10, 2000

Lisha Cordova
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Cancellation of previous permits in the name of Fleet Energy and re-issue new Drilling Permits in the name of Marathon Oil Company For:
SITLA #13-22, NESW Section 22-15S-9E 43-007-30554 issued 4/20/99
SITLA #34-22, SWSE Section 22-15S-9E 43-007-30565 issued 3/24/99

Dear Ms. Cordova:

Per our phone conversation on 4/7/00, Marathon Oil Company requests the cancellation of two drilling permits, which were issued to Fleet Energy, L.L.C. of Houston Texas. Effective December 21, 1999, Marathon Oil Company purchased several leases from Fleet which included the above named well permits.

Since the purchase, Marathon has resurveyed and permitted the above named wells. All associated field work and onsite meetings have taken place and Marathon requests the most recent permits for these wells be approved and the permits submitted by Fleet Energy be rescinded.

Thank you for your attention in this matter and if we may be of any further assistance please feel free to contact this office.

Sincerely,

MARATHON OIL COMPANY

R.P. Meabon
Regulatory Coordinator
Rocky Mountain Region
307-527-3003

DOGM
'LA'
DATE

RECEIVED
APR 14 2000
DIVISION OF
OIL, GAS AND MINING

State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE RESOURCES

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
John Kimball
Division Director

Southeastern Region
475 West Price River Drive, Suite C
Price, Utah 84501-2860
435-636-0260
435-637-7361 (Fax)

Marathon Oil Presite Inspections Cont. 3/9-10/00 (v. 2)

SITLA 32-22: This area is within the big game winter range, therefore seasonal restrictions for construction and mitigation requirements should be followed. There are 5 ferruginous hawk nests within ½ mile of this location, however, all of these nests were old and dilapidated.

SITLA 14-23: UDWR does not have any wildlife concerns with this well.

SITLA 34-23: UDWR does not have any wildlife concerns with this well.

SITLA 22-22: This area is within the big game winter range, therefore seasonal restrictions for construction and mitigation requirements should be followed. There are 3 raptor nests within ½ mile of this location (99-673, 99-672, 99-722, 99-721, 99-723, 99-724), however, all of these nests were either dilapidated or have been inactive for more than 3 years.

SITLA 34-22: We did not look at this well site. It is our understanding that this site has already been onsite reviewed and permitted by Fleet Energy. Marathon Oil, as the successor operator, now requests that the permit be rescinded and a new permit be issued in their name for this location. This area is within the big game winter range, therefore seasonal restrictions for construction and mitigation requirements should be followed. There are 6 raptor nests within ½ mile of this location (99-720, 99-721, 99-725), however, all of these nests were either dilapidated or have been inactive for more than 3 years.

SITLA 32-27: We did not look at this well site. It is our understanding that this site has already been onsite reviewed and permitted by Fleet Energy. Marathon Oil, as the successor operator, now requests that the permit be rescinded and a new permit be issued in their name for this location. This site is within the Big Game Winter Range. Additionally, there are 2 raptor nests within ½ mile (99-720 & 99-725), however, these nests were dilapidated and have been inactive for > 3 years.

SITLA 13-22: We did not look at this well site. It is our understanding that this site has already been onsite reviewed and permitted by Fleet Energy. Marathon Oil, as the successor operator, now requests that the permit be rescinded and a new permit be issued in their name for this location. This site is within the Big Game Winter Range. Additionally, there are 2 raptor nests within ½ mile (99-720 & 99-722), however, both of these nests were dilapidated.

People present:
Chris Colt - UDWR
Chris Kierst - UDOGM
Randy Meabon - Marathon Oil
Charlie Arterbery - Marathon Oil
David Kay - UELS
Bill Ryan - Rocky Mtn Consulting
Kimball Rassmuson - Nielson Const.
David Wilcox - Nielson Const.